

Changes Due to the Third Party

THE Physician-Patient Relationship Committee [of the San Francisco Medical Society] spent two years, 1958-1959, studying changes which have occurred in the traditional physician-patient relationship brought about by the introduction of the third party. The public is demanding complete medical protection and care and the role of the third party is becoming increasingly more important.

The method of study included interviews by committee members with hospital administrators and record room librarians of sixteen local hospitals, representatives of seven major medical insurance companies, as well as committees of the San Francisco Medical Society, the California Medical Association and the American Medical Association, which deal with these problems.

An attempt was made to determine current practices relating to this multiple party relationship and to define the problems as seen by these varying groups and to seek ways of overcoming them.

PROBLEMS AND COMPLAINTS

(A) Hospitals:

The hospital administrators and the record room librarians stated that there has been a marked increase in requests for information regarding insured patients in the past ten years. The policy of limiting information to the front sheet is fairly uniform but additional information is requested in about two per cent of the cases or two thousand cases per year in San Francisco. There is a definite relationship between the type of coverage a patient has and the number of requests for additional information that are received. The more restricted the coverage the more requests are received. Hospitals also complain that the patients generally are not fully informed about their coverage and this leads to a good deal of confusion and ill feeling. They blame both the doctor and the insurance company for this.

(B) Insurance Companies:

The insurance companies uniformly feel that they need and have a right to freer access to the patient's chart. They feel that doctors need policing because some doctors overcharge insured patients or extend hospitalization merely because the patient is insured. They also believe that sometimes doctors alter their diagnoses so that they can be covered by the patient's insurance. Insurance companies also believe that physicians do not discipline their colleagues effectively.

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(C) Physicians:

Physicians feel that free access to a patient's chart will undoubtedly disclose information which may be misunderstood by lay personnel and may be injurious to the patient. They realize the right of privileged communication belongs to the patient and not to the doctor, and if the patient waives this right the physician can only comply. Physicians feel that insurance companies are not governed by a tradition or code of ethics which protects the privacy of the patient. Privacy and confidentiality have always been essential conditions of good medical practice. Physicians feel that restrictive types of coverage put an undue burden on them and that they should not be limited in their treatment of patients by the rules of an insurance company.

These varying opinions were discussed at length by the committee and the following recommendations were formulated.

RECOMMENDATIONS

[I] In regard to the form that health insurance coverage takes, the committee has these things to recommend:

1. This study indicates that the type of insurance carried by a given person or group is extremely important as to how much confusion and disagreement there is going to be in determining the rights and responsibilities of various interested parties. Accordingly, the committee recommends that the difficulty be thoroughly studied by present and future purchasers of health insurance.

2. The principles inherent in deductible or co-insurance are largely free of confusing and troublesome aspects. These two types of insurance are more easily administered, and more clearly lend themselves to the satisfactory delineation of the realistic rights and responsibilities of all parties.

3. According to this survey restricted coverage inherently places a serious conflict of interests between all parties involved and these conflicts of interests are basically insoluble.

4. Even though restricted coverage inherently contains an insoluble conflict of interests for the parties involved, so long as it continues to be issued there are some factors which will help to control and reduce the degree of conflict.

- (a) Encourage doctors and/or doctors' office personnel to investigate the nature of the restrictions in the patients' insurance policy before undertaking elective hospital or office treatment. Arrange for a discussion of the facts of these restrictions with the patient, and arrive at a clear mutual understanding.

- (b) Encourage doctors and/or doctors' office personnel to investigate the nature of the insur-

ance restrictions with the patient or patient's family as soon as possible after emergency hospital or office treatment. Hospital administrators have solved most of their problems by getting this information within the first twenty-four hours after hospital admission.

(c) Encourage insurance carriers, unions and employers to engage in a continuous explanation of the restrictions as well as the benefits of the insurance policy.

[II] In regard to the access to medical records and private communication, the committee has these things to recommend:

1. Extended coverage on a deductible or co-insurance basis. This will markedly reduce the need for access to records.

2. Doctors should:

(a) Produce a standardized front sheet data form.

(b) Use standardized diagnostic nomenclature for filling out insurance forms to reduce the need for access to records.

3. Insurance companies should:

(a) Adopt a standardized procedure for processing claims.

(b) Specify exact information desired in requests for supplemental information instead of sending the physician a general history form, to reduce the need for access to records.

4. Doctors should fill out initial forms completely, carefully and promptly, so that the need for access to records will be reduced.

5. Doctors should fully understand the need for additional inquiries by insurance carriers, and respond promptly and accurately to such inquiries so that the need for access to records will be reduced.

However, the committee recognizes that there are grave and just causes which require access to medical records, and the committee recommends in such situations:

1. If possible, have a doctor on the staff of the insurance company review the record with the permission and knowledge of the patient.

2. Consider creating a new profession or specially trained and certified lay personnel as medical record examiners, who would be inculcated with the importance of protecting the privacy of the patient as are medical record librarians. There might be possible

the passage of special regulatory laws as with internal revenue agents.

3. Have questioned claims examined by a special committee of the medical society.

4. Create a special physicians hospital committee to pass on necessary *vs.* unnecessary hospitalization, treatment, etc.

5. Doctors who actually abuse the financial interests of the insurance carriers and/or of the patients be suspended or removed or fined by the medical society, or if these are deemed inadequate, it is recommended that the offending doctors be prosecuted by California law as defined in the California Insurance Code 1957 edition, Section 556 which makes a fraudulent insurance claim punishable by imprisonment up to three years and by fine not exceeding \$1,000 or both.

[III] In regard to the problems of communication and education the committee recommends:

1. The doctors engage in a continuous education program on these matters by papers, seminars, hospital and society programs on the subject.

2. That hospitals and medical schools include instructions and seminars on these problems within their clinical training program.

3. That insurance companies engage in continuous efforts to promote better understanding of their problems and to make their positions understood and accepted by the doctors and the public.

4. That representatives of all groups involved in the problem of health insurance meet regularly with each other to coordinate their mutual efforts and interests, and to inform and educate the public.

[IV] The committee recommends that a letter of commendation be sent to the Bay Area Group Hospital Association for its initiative achievements in establishing policy to control and regulate the dissemination of patients' medical record information. We encourage them to continue and extend their work.

[V] The committee further recommends that the continuing study of "*The Doctor-Patient Relationship and the Third Party*" be undertaken by the Physician-Patient Relationship Committee of the San Francisco Medical Society, and that programming of the above recommendations be instituted by it.

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